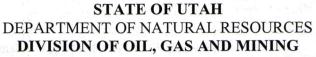
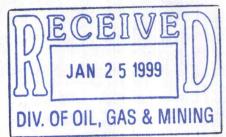
FORM MR-AR (Revised 3/98)



Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940



### ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

## I. <u>General Information</u>

- 1. Report Time Period: From (mo./yr.) 1/98 To (mo./yr.) 1/99
- 2. DOGM File Number (Mine No): M /041/008
- 3. Mine Name: Jensen Quarry
- 4. Mineral(s) Mined (or permitted to mine): Gypsum
- 5. Type of mine X Surface Mine or Underground Mine
- 6. Legal Description (Location of Lands Affected):
  - 1/4, 1/4, Section 22, Township 22S, Range 1W
  - 1/4, 1/4, Section 32 , Township 22S , Range 1W
  - 1/4, 1/4, Section 15, Township 22S, Range 1W
- 7. Name of Operator or Company: United States Gypsum Company
- 8. Permanent Street Address: 125 South Franklin Street

City, State, Zip: Chicago, IL 60606

Phone: (435) 896-2400

9. Company Representative (or designated operator):

Name: Bryan Tilley

Title: Ouarry/Mill Manager

Business Address: P.O. Box 570160 City, State, Zip: Sigurd, UT 84657

Phone: (435) 896-2450

X Please check if any of the above information has changed since previous year.

#### II. Mining and Reclamation

1. Was there any mine related activity during the past year? X Yes

No

- 2. If no what was the last year of activity?
- 3. If yes how much ore or mineral was mined? 145,047 Tons
- 4. Briefly describe the type of work performed, volume of material moved, and any new or additional surface disturbances that occurred during the past year.

Approximately 61,377 cubic yards of shale and clay were stripped using a dozer to expose gypsum in the open mining pits.

- 5. How much additional acreage was disturbed during the past year? 1.50 acres
- 6. How much acreage was reclaimed during the past year? 1.0 acre
- 7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.

The reclaimed areas were recontoured using a dozer to push overburden spoil piles back into mined out areas. These areas are waiting to be seeded in 1999. No acreage was released from the reclamation program this year.

- 8. What is the total disturbed acreage of entire project at years end? 118.55 acres
- 9. Briefly summarize any mining and/or reclamation plans for the upcoming year.

Mining – Estimated 135,000 tons of gypsum will be mined from existing pits.

Approximately 3 acres will be additionally disturbed during 1999.

Reclamation - Approximately 6 acres are planned to be recontoured and reseeded as per the reclamation plan during 1999.

**NOTE:** Section III., "Additional Information" applies only to <u>large mining operations</u>.

### III. Additional Information

- 1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.
- 2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.

# IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print): Bryan Tilley

Title of Operator: Quarry/Mill Manager

Signature of Operator:

Date:

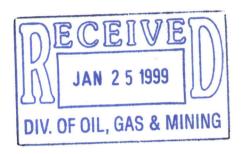
United States Gypsum C P.O. Box 570160 Sigurd, UT 84657 435 896-2400

Fax: 435 896-2407

USG

January 22, 1999

Tony Gallegos State of Utah Department of Natural Resources Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210 Box 145801 Salt Lake City, Utah 84114-5801



Re:

1998 Annual Report of Mining Operations

Dear Mr. Gallegos:

Please find enclosed documents concerning the Annual Report for the Year 1998 for our Jensen Quarry, Mine No. M/041/008 and San Rafael-Kimball Draw Quarry, Mine No. M/150/075.

The Annual Report for the Year 1998 shows the past year's activity at both the Jensen and San Rafael-Kimball Draw Quarries and the proposed activity for the production Year 1999. If there are any questions or additional information required, please feel free to contact me.

Sincerely,

Bryan Tilley Quarry/Mill Manager

(435) 896-2450

Enclosures